

THE PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA

DOCKET NO. 2021-130-S

IN RE: Joint Application for Approval of the)	
Sale of Assets and Transfer of Facilities,)	REBUTTAL TESTIMONY
Territory and Certificate of Public)	OF
Convenience and Necessity from Synergy)	KEITH G. PARNELL
Utilities, L.P. to South Carolina Water)	
Utilities, Inc.)	

1 Q. PLEASE STATE YOUR NAME AND JOB DESCRIPTION.

2 A. My name is Keith G. Parnell. I am the President and Operations Manager of Synergy
3 Utilities, LP.

4 Q. ARE YOU THE SAME KEITH PARNELL WHO PREFILED DIRECT
5 TESTIMONY IN THIS DOCKET?

6 A. Yes.

7 Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?

8 A. The purpose of my rebuttal testimony is to respond to certain matters raised in the
9 testimony of the Office of Regulatory Staff (“ORS”) and Northwoods Homeowners
10 Association (“Northwoods HOA”).

11 Q. THE ORS SEEMS TO QUESTION WHETHER THE TRANSFER OF SYNERGY’S
12 SYSTEMS TO SOUTH CAROLINA WATER UTILITIES IS IN THE PUBLIC
13 INTEREST; IS THE TRANSFER IN THE PUBLIC INTEREST?

14 A. Yes. As I have testified, owning and operating a sewer utility is increasingly complex and
15 expensive. While I have the benefit of an engineering degree and forty years of experience,
16 I have come to conclude that my customers will be better served by a larger, better

1 capitalized utility such as South Carolina Water Utilities, Inc. ("SCWU"). The sale of
2 Synergy to SCWU is not a hostile takeover. The transaction will benefit my customers,
3 as Mr. Sorensen has gone to considerable pains to explain. The ORS testimony seems to
4 assume that if the transfer is not approved, I will be around indefinitely to operate and
5 maintain the system. Such an assumption would be short sighted.

6 **Q. THE NORTHWOODS HOA COMPLAINS OF "ISSUES" IN THE**
7 **NEIGHBORHOOD; HOW WOULD YOU RESPOND?**

8 A. First, it is important to note what does not appear in the record; there have been no other
9 protests from Synergy customers served in other neighborhoods. Below I will address
10 the specific Northwoods issues.

11 **Q. MS. WILLIAMS STATES THAT THERE ARE REPEATED ISSUES WITH LINES**
12 **BREAKING; WHAT IS YOUR EXPERIENCE?**

13 A. We have had to repair the force main that runs from the large pump station to the City of
14 Orangeburg main on three occasions in the past twenty-two years. Repairs were required
15 on two occasions after Orangeburg County made improvements to the road and the force
16 main developed a crack from heavy machinery operating on or near it. Both cracks were
17 timely repaired. We also repaired the force main directly in front of Ms. Williams' house.
18 After observing that the pavement would repeatedly become wet and dry over time, we
19 excavated the force main and found that the pipe had been damaged by the Orangeburg
20 Department of Utilities ("DPU") boring a water tap under the road. DPU did not inform us
21 that they damaged the force main but attempted a repair by installing a water corporation
22 stop (a type of valve) on the pipe. Over the years the stop corroded and began to leak. We
23 removed the damaged section and repaired it correctly.

1 **Q. IN THE REMAINING PORTION OF HER COMMENTS, MS. WILLIAMS**
2 **REFERS TO SEWAGE BACK-UPS IN OR ON CUSTOMER PROPERTIES;**
3 **WHAT IS YOUR EXPERIENCE?**

4 A. Sewer main backups have not been common in the forty-three years we have served the
5 Northwoods subdivision. Ms. Williams has involved herself on behalf of other customers
6 on a number of occasions. However, the backups with which Ms. Williams became
7 involved were from service lines on the customer's property. On one occasion, we
8 unstopped the customer's service line and "cameraed" it to the main. We told the owner he
9 had a large root near his porch and needed to replace his line. Yet, Ms. Williams insisted
10 we were responsible for placing the line. Unfortunately, Synergy, like any other sewerage
11 utility, is not responsible to a customer's line beyond the property line. We have returned
12 to this residence at least twice and the root is still in the service line.

13 On another occasion in which Ms. Williams was involved, we were called to
14 investigate sewage in a customer's yard. Upon arrival, the cleanout near the road was dry
15 but the cleanout near the house was running sewage. I unstopped the house line and found
16 the cleanout was not glued and had become separated allowing dirt and debris to enter the
17 service line. It appeared to be that someone had kicked the cleanout valve so it would let
18 the house drain.

19 **Q. MS. WILLIAMS STATES THAT SYNERGY DID NOT ACT TIMELY TO MAKE**
20 **REPAIRS OR ADDRESS ISSUES; WHAT IS YOUR EXPERIENCE?**

21 A. In the past year our records indicate the following service calls in the Northwoods
22 subdivision:

- 1 • November 11, 2020. The call was received at 3:14 PM. A technician responded at
2 3:16 PM
- 3 • November 21, 2020. The call was received at 1:10 PM. The technician responded at
4 1:17 PM
- 5 • February 17, 2021. The call was received at 1:45 PM. The technician responded a t
6 2:19 PM.
- 7 • April 15, 2021. The call was received at 11:02 PM. The technician responded at
8 8:56 AM.
- 9 • May 12, 2021. The call was received at 8:43 AM. The technician responded at 8:54
10 AM.

11 None of these calls were sewer main problems; most were service line problems. Also, two
12 involved DPU water main leaks.

13 **Q. MS. WILLIAMS RAISES AN ISSUE ABOUT DISCONNECTION OF A**
14 **DISABLED AND ELDERLY PERSON; WHAT ARE THE FACTS?**

15 A. The account for service about which Ms. Williams complains had been held in another
16 man's name who died in 1989. We became aware of his death in February 2020, thirty-
17 one years after his death. We attempted numerous times over eighteen months to have the
18 current resident set up an account in his name, but he refused. We had no recourse but to
19 terminate service.

20 **Q. MS. WILLIAMS STATES THAT SHE IS NOT AWARE OF ANY SIGNIFICANT**
21 **INVESTMENT TO IMPROVE SERVICE TO NORTHWOODS; HAS SYNERGY**
22 **INVESTED IN THIS SYSTEM?**

1 A. As I have testified, in 1991, Synergy's' predecessor closed the treatment lagoon and
2 constructed a three-mile-long force main to the DPU system. In addition, an eleven-acre
3 facultative lagoon was closed out in accordance with SCDHEC requirements. In today's
4 dollars, approximately \$1.5 million would be required to complete this work that we
5 performed in-house. We saved our customer base significant money by taking this burden
6 on ourselves.

7 In the past few years, Synergy has invested considerable amounts of money to
8 upgrade the system within the community. These improvements include slip lining
9 approximately 3,000 linear feet of collector main and rehabbing manholes. Again, this was
10 done by our labor with an estimated contractor price of over \$250,000. This work benefited
11 the system and our Northwoods customers.

12 **Q. MS WILLIAMS RAISES CONCERNS ABOUT HER RATES; HOW ARE THE**
13 **NORTHWOODS CUSTOMERS' BILLS CALCULATED?**

14 A. First, the rates for the Northwoods subdivision are unnecessarily high in my opinion. In
15 addition to the Synergy service charge approved in Order No. 2018-369, the Northwoods
16 customers are forced to pay DPU a treatment charge (which as I have testified, we limit),
17 and a DPU service charge for which the Northwoods customers do not benefit. We have
18 met any number of times with Ms. Williams to explain the billing. Moreover, for more
19 than a year, my office has been providing Ms. Williams with a monthly spreadsheet setting
20 out the individual cost components of her charges. Ms. Williams requests that the sewer
21 system be transferred to Orangeburg DPU. Both Synergy and SCWU have offered to do
22 so.

1 Q. DOES THIS COMPLETE YOUR REBUTTAL TESTIMONY?

2 A. Yes.